

**GOVERNMENT OF INDIA
TEXTILES
LOK SABHA**

UNSTARRED QUESTION NO:3942
ANSWERED ON:13.12.2002
SCHEME FOR HANDLOOM DEVELOPMENT CORPORATION
R.L. JALAPPA

Will the Minister of TEXTILES be pleased to state:

- (a) whether the Karnataka Government has sent any scheme to the Union Government to strengthen the Karnataka Handloom Development Corporation;
- (b) if so, the estimated cost of the proposed scheme;
- (c) the amount of financial assistance sought for; and
- (d) the reaction of the Union Government thereto?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF TEXTILES (SHRI BASANAGOUDA R. PATIL (YATNAL))

- (a) Yes, Sir.
- (b) The estimated cost of the project proposed by the Karnataka State Government for restructuring Karnataka Handloom Development Corporation (KHDC) is Rs.40.00 crore.
- (c) The Central assistance sought by the Government of Karnataka under the project for restructuring the KHDC is Rs.20.00 crore.
- (d) Under the Deen Dayal Hathkargha Protsahan Yojana, grant of assistance towards financial restructuring is provided to handloom organizations with a view to making them viable by enhancing their cash credit limit/working capital. In order to enable an organization to get assistance towards financial restructuring, the grantee organization has to first improve its viability by streamlining its business policies and rationalizing its manpower. The KHDC is required to send 315 identified surplus employees under Voluntary Retirement Scheme from its own resources or by way of grant from the State Government. It also has to convert a loan of Rs.26.44 crore advanced by the State Government to the Corporation into equity. The Government of Karnataka has been requested to sort out the above issues expeditiously to enable the Government of India to consider sanction of the project.